



## News Release

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### **Boeing Invested more than \$13 Billion in Washington State in 2015**

*Washington Aerospace Incentives working for taxpayers*

**SEATTLE, April 29, 2016** – Boeing [NYSE: BA] today announced that the company invested more than \$13 billion in Washington in 2015, reflecting the value Washington taxpayers received from Boeing’s presence in the state.

The bulk of Boeing’s investment is composed of billions of dollars of expenditures for payroll, supplier purchases and capital investments in Washington. It also includes hundreds of millions of dollars Boeing spent in Washington for taxes, as well as more than \$40 million in community contributions and more than \$30 million towards employee continuing education tuition that includes four-year and masters’ degrees.

These numbers illustrate the direct correlation between the aerospace tax incentives and the amount of money that Boeing pumps into Washington’s economy. They represent not only Boeing’s current, robust presence in Washington, but also the sizable capital investments the company is making as it develops the 777X and 737 MAX programs as well as other capabilities around the company.

As a result of these tremendous investments, Boeing reported \$305 million in savings in 2015 via the Washington aerospace tax incentives.

“This is a good news story,” said Bill McSherry, vice president, Government Relations and Global Corporate Citizenship, Boeing Commercial Airplanes. “The more Boeing invests in Washington, the higher the stated value of the incentives.”

“Within the billions Boeing invested here last year, are hundreds of millions of dollars in taxes paid to the state and local governments in Washington,” McSherry adds. “We believe Boeing is the largest taxpayer in Washington, by a long shot.”

The aerospace tax incentives are structured so that as Boeing invests more in Washington, the stated value of the incentives increases. Examples include:

- *Based upon Boeing's record number of airplanes delivered in Washington, largely by IAM 751-represented employees, Boeing reported a B&O tax rate reduction of \$106 million*

When the state passed the 2003 Aerospace Tax Incentives, legislators noted the need to make Washington cost competitive. The 2003 law states the incentives "...address the cost of doing business in Washington state compared to locations in other states."

- *Based upon Boeing's investment of billions of dollars in qualified pre-production and development activity performed largely by SPEEA-represented employees in Washington, Boeing reported a B&O Pre-Production tax credit of \$106 million*
- *Based upon hundreds of millions of dollars spent on construction materials, Boeing reported a Sales & Use tax exemption on construction materials of \$51 million*

Even as Boeing takes steps to diligently manage and reduce costs in an increasingly competitive global market, the value of Boeing's ongoing operations and future development in Washington continues to be foundational to the state's economy.

This value is further multiplied by the investments made throughout Boeing's supply chain, the money spent by Boeing employees and the work performed by Boeing's charitable partners in the community.

"Washington made an excellent business decision when it enacted these incentives," said McSherry. "Boeing's investments demonstrate that when a state creates competitive policies, its citizens reap tremendous benefits from the economic activity that follows. These incentives work."

More than 470 Washington companies use the Aerospace Tax Incentives.

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